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THE INTERIM

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The Monthly Report of Legislative Activity



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INTERIM COMMITTEE ASSIGNMENTS

Committee rosters announced...With the announcement of the appointments of legislators to the interim committees for the current biennium, the study groups will soon conduct organizational sessions and commence activities to fulfill their responsibilities. Members appointed to the committees:

HB 354, GOVERNANCE AND FUNDING OF POSTSECONDARY EDUCATION: Senators Story, Jacobson, Boylan, and Nathe, and Representatives Addy, Spaeth, Swysgood, and Thomas.

HB 28, OVERSIGHT OF SCHOOL FUNDING IMPLEMENTATION: Senators Gage, McLane, Blaylock, and Van Valkenburg, and Representatives Peck, Darko, Glaser, and Richard Nelson.

HB 62 (Special Session), WORKERS' COMPENSATION: Senators Aklestad, Thayer, Williams, and Svrcek, and Representatives Connelly, Driscoll, Glaser, and Owens.

SJR 23, ADULT AND JUVENILE DETENTION: Senators Meyer, Hofman, Yellowtail, and Halligan, and Representatives Russell, Strizich, Rice, and Campbell.

SB 16, ACCOUNTABILITY AND QUALITY IN EDUCATION: Senators Brown, Hammond, Regan, and Pinsoneault, and Representatives Brooke, Johnson, Spring, and Peterson.

Travel pay policy explained...For first-term legislators who may be

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approaching their first meeting of an interim committee, the policy on payment of travel claims was explained in a letter from Legislative Council Chairman Rep. Ralph Eudaily. The Legislative Council policy grants the chairman of the Council the discretion to approve travel claims for legislators traveling under council appropriations for interim studies and interstate conferences. To establish reasonableness of a travel claim in Montana, the following policy applies:

Overnight lodging: Reimbursement for overnight lodging is reasonable when the member would be required to leave home earlier than 6:30 a.m. or arrive home later than 9:30 p.m. in order to attend all of the meeting. An average travel speed of 45 miles an hour is assumed.

Salary: A member is entitled to a day's salary when necessarily away from home for committee business. A member is considered to be necessarily away from home on the day of the meeting and on any other day when travel is qualified under the rule for payment for overnight lodging.

Meals: Payment for meals is reasonable when the customary meal times fall within the reasonable travel times.

Mitigating factors: The tests listed above may be mitigated by application of these tests:

¶ Welfare of a committee member will be considered with health and safety key factors.

¶ Variations will be considered if a member flies instead of drives. Usually, members should use the travel mode that provides the lowest overall cost to the state.

¶ A member may choose a more expensive mode of travel if conflicts would make it impossible to attend otherwise. Those circumstances will be considered in establishing reasonableness. A member who believes a mitigating factor applies should attach a statement to the claim form stating the reason.

Out-of-state travel...The same criteria will apply for out-of-state travel except that generally it will be assumed that commercial transportation is reasonable. Council policy limits a member to a

lodging claim of \$85 plus tax in a Department of Administration-listed "high cost city" unless prior approval has been granted by the Council chairman because of the unavailability of reasonable accommodations within the \$85 limit.

FIVE-STATE LEGISLATIVE CONFERENCE

Presidential Visit Is Highlight...With an appearance by President George Bush adding interest to the occasion, the Five-State Legislative Conference met Sept. 17 through 19 in Helena. Legislators and staff from North and South Dakota, Nebraska, Wyoming, and Montana conferred for two days on the future of the region, the role of higher education in rural economic development, and common problems of funding primary and secondary education in the states. Rep. Ray Peck was conference chairman; Sen. H. W. (Swede) Hammond, vice-chairman. (Two Idaho legislators observed.)

A highlight on Monday, Sept. 18, was an address to the conference by President George Bush. Following a public address celebrating Montana's centennial and stressing environmental issues, the President met with conferees in the chamber of the House of Representatives to discuss his views on the importance of education and the significance of the states' role in providing education. Copies of the President's remarks are available through the Legislative Council.

Monday's main emphasis was on higher education and the rural west and was addressed through a workshop sponsored by WICHE. This workshop was well attended by legislators and educators from throughout the WICHE region.

Visions of a New Century...The heart of the conference on Tuesday involved the conferees in "Visualizing a New Century on the High Plains". Conferees worked in small groups to explore visions for the future of the high plains region, concentrating in the areas of worklife, education, transportation, the economy, the environment, and personal and societal well-being. Sharing of individual visions led to small group consensus and sharing of ideas with all participants. Following keynote remarks on the history of the region by Dr. Mike Malone of Montana State University, and a luncheon address by Dr. Matt Quinn, president of Carroll College, on the prospects for the

next century, Dr. John Pulliam, dean of the University of Montana School of Education and a respected "futurist", served as the facilitator to synthesize the groups' notions of "things that should be created" and "things that should stay the same" for the region. The second part of the project asked participants to explore the role, if any, of the states and legislatures in establishing and fulfilling the vision created for the region in the previous activity.

Common Visions...Many common "visions" were reported, with consensus centering on:

- ¶ retention of the "quality of life" now enjoyed by persons in the region;

- ¶ safeguarding the environment of the area while stimulating economic vitality;

- ¶ vigilance in protecting the freedoms now granted;

- ¶ capitalizing on and "marketing" the much-praised work ethic of the people of the region to stimulate the economy;

- ¶ maintaining a high level of support for the education systems of the states in order to continue producing students who do exceptionally well in national comparisons;

- ¶ joining forces to develop and market regional products, especially exploration of unique agricultural opportunities.

One of the main themes was the desire to expand opportunities for states in the regions to meet frequently, share ideas on common problems, and to work for the positive future visualized in the conference activities.

Conference Support Needed...The conference was regarded as a success by the participants. Concern exists, however, because of the low level of commitment to the conference on the part of states other than the Dakotas when they are not hosting the conference. This issue must be addressed in the future.

JOINT SELECT COMMITTEE ON WORKERS' COMPENSATION

Oct. 4 Is Date for First Meeting...The Joint Select Committee on Workers' Compensation will commence the study mandated by HB 62 of the June Special Session on Wednesday, Oct. 4. The committee

will meet in Room 104 of the Capitol at 10 a.m.

LEGISLATIVE OVERSIGHT COMMITTEE ON SCHOOL FUNDING IMPLEMENTATION

Initial Meeting Set Oct. 14...The Legislative Oversight Committee on School Funding Implementation (Implementation Committee) will hold its organizational meeting Saturday, Oct. 14, at 9 a.m. in Room 108, of the Capitol. The acting chairperson for the meeting will be Sen. Chet Blaylock, and the first agenda item will be selection of a permanent chairperson. The main business of the day will be review and approval of a study plan and work schedule designed by staff. HB 28, the school funding reform package, created the Implementation Committee, which includes eight legislators and, as nonvoting members, the Superintendent of Public Instruction, the Governor, and a member of the Board of Public Education (or their designees). Superintendent Nancy Keenan plans to attend most meetings herself, but she has also named Assistant Superintendent Gregg Groepper as her designee. Dave Darby, Budget Director, is the Governor's designee, and Alan Nicholson will represent the Board of Public Education. The enabling language allows the Implementation Committee to call upon the staffs of the Office of Public Instruction, the Legislative Fiscal Analyst, the Office of Budget and Program Planning, the Legislative Auditor, and Legislative Council. Staff from these agencies have worked jointly to develop the study plan, work assignments, and meeting schedule. Andrea Merrill, staff researcher, Legislative Council, will serve as lead staff. For information concerning committee activities, phone 444-3064.

LEGISLATIVE FINANCE COMMITTEE

Appropriation Reports Released...At the meeting of the Legislative Finance Committee on Sept. 11, appropriation reports for the 1989 regular and special sessions were presented to the committee. Copies are available at Room 105, State Capitol, phone 444-2986.

Negotiated Agreement with BN...The Department of Health and Environmental Sciences (DHES) briefed the committee on the negotiated agreement (Partial Consent Decree and Work Plan)

between the Burlington Northern Railroad and the State which established a process for resolution of the environmental and health concerns at the former BN refueling and maintenance facility in Livingston. The agreement is a partial decree because the appropriate clean-up has not yet been selected and the issue of natural resource damages remains unresolved. The agreement:

¶ sets forth the framework for the investigation, evaluation, and selection of permanent remedies for contamination at Livingston; and

¶ provides that the BN will pay a \$500,000 penalty and reimburse the state for about \$600,000 of costs incurred to date and state costs incurred to monitor performance under the agreement.

Cleanup at Livingston is being managed by the State since this site is not a superfund Program National Priority List (NPL) site. However, because of the controversial nature of this site and because the state has requested lead responsibility at some NPL sites in Montana, the U. S. Environmental Protection Agency (EPA) reviewed the consent decree and work plan. On Sept. 15, the EPA notified the DHES that the agreement was not acceptable from their viewpoint.

Service Awards...The office of the Legislative Fiscal Analyst has joined the program to recognize years of service to the State of Montana. Chairman Himsl awarded pins to Pam Joeehler, Madalyn Quinlan, and Taryn Purdy for five years or more of service, Keith Wolcott for 10 years, and Jim Haubein, Curt Nichols, and Judy Rippingale for 15 years of service.

Meeting Set Nov. 3 and 4...The next meeting of the Legislative Finance Committee will be Friday and Saturday, Nov. 3 and 4, in Room 108 of the Capitol.

COMMITTEE ON ACCOUNTABILITY AND QUALITY IN EDUCATION

Oct. 14 Chosen for First Meeting...SB16 of the June special session directs an interim committee to study proposals for assuring accountability and quality in Montana public schools and to define a basic system of free quality public education. The bill was based on Governor Stephens' "New Century Plan for Accountability and Quality

in Education". The first meeting of the committee is tentatively scheduled in Room 104 of the Capitol on Saturday, Oct. 14, when the committee will elect a chairman, accept public comment on the study, and approve a study plan.

LEGISLATIVE AUDIT COMMITTEE

Audit Reports Reviewed... The Legislative Audit Committee met Sept. 29 and reviewed these reports, copies of which are available from the Office of the Legislative Auditor, phone 444-3122:

FINANCIAL-COMPLIANCE AUDIT: Guaranteed Student Loan Program, Office of the Commissioner of Higher Education

PERFORMANCE AUDIT: Treasury Bureau, Department of Administration

CONTRACT AUDIT: Coal Board Grants

REVENUE OVERSIGHT COMMITTEE

Revenue Estimating Function... At its Sept. 8 meeting the Revenue Oversight Committee reviewed its responsibilities under SB 341 to provide revenue estimates to the legislature in each regular and special session. Curt Nichols from the fiscal analyst's office presented a timetable for the consideration of the methodology to be used in the development of the estimates. The fiscal analyst will coordinate its efforts with the governor's budget office, committee staff, and any other agency involved with taxation and revenue.

Rules Review... Lee Heiman, committee staff attorney, explained how HB 1 expanded the duties of the committee to review rules promulgated by the Department of Revenue in line with the duties the Administrative Code Committee has with other executive branch agencies.

Study Plans Approved... The committee heard a presentation of study plans for two studies assigned to it by the 51st Legislature: (1) the impact of business tax incentives as they relate to economic development in Montana (SJR 21, regular session); and (2) the guaranteed tax base concept for school funding (HB 28, special session). The study of the guaranteed tax base will require

coordination with the legislative oversight committee on school funding implementation.

Other Topics...Other committee business included a progress report on the Department of Revenue's reappraisal program and annual sales assessment ratio adjustments; liquor division inventory control problems; liquor store closings; the department's decision not to tax federal pension income in response to a ruling by district court Judge Sherlock that Davis v. Michigan applies to Montana, as well as concerns from private retirees who will continue to be taxed on their pension incomes.

Oct. 27 Meeting Date...The next Revenue Oversight Committee meeting is scheduled for October 27 at 9 a.m. in Room 104 of the Capitol.

COAL TAX OVERSIGHT SUBCOMMITTEE

Marian Hanson Is Vice Chairman...At its meeting on Sept. 25, the Coal Tax Oversight Subcommittee elected Rep. Marian Hanson to succeed Rep. Dave Brown as vice chairman. Rep. Gene DeMars replaced Rep. Brown on the subcommittee after Rep. Brown was named to the Gambling Advisory Council.

Reports Heard...During its meeting, the Subcommittee heard reports from:

¶ the Department of Highways on the uses of the Reconstruction Trust Fund to rebuild the primary system;

¶ the Department of Fish, Wildlife, and Parks on the use of a two-thirds share of the income from the Parks and Cultural Trust to operate and maintain units of the state parks system; and

¶ the Board of Investments on the responsibility transferred to the Subcommittee to prepare for each session of the Legislature a report on potential uses of the permanent coal tax trust fund for economic development.

Bill Draft Requested...The Subcommittee voted unanimously to request its staff to cooperate with the staff of the Investment Division to draft a bill for the 52nd Legislature that would provide incentives for smaller businesses to apply for coal tax loans.

Next Meeting on Dec. 4...The Subcommittee decided to meet again at 9 a.m. Monday, Dec. 4, in Room 104 of the Capitol.

LEGISLATIVE COUNCIL

Legal Division

Initiative Proposals

Pursuant to 13-27-202(2), MCA, copies of correspondence are available from the Secretary of State

Recall of public officials

Trade charge on financial transactions -- prohibit property and sales tax

Montana Code Annotated...The 1989 Montana Code Annotated was shipped from the printer, Eastwood Publishing of Denver, Colorado, on Sept. 22. Subscribers should receive the code prior to the Oct. 1 general effective date for legislation. The 1989 Montana Code Annotated contains all statutes enacted during the June Special Session so there will not be a code supplement. Producing the code on time required a tremendous effort by the legal and legislative service divisions of the Legislative Council. The Code Commissioner thanked the staff for their hard work and acknowledged the staff's commitment to excellence.

Legal Memorandums

¶ Guidelines for Determining Payment of Legislator Salaries during the Interim

¶ Litigation Involving the State of Montana and the Montana Indian Tribes

Research Division

Research Reports

¶ Identification of Study Topics for Consideration by 1989-1990 Committee on Indian Affairs

- ¶ JTPA and Montana Welfare-Work Programs: Requirements for Coordination of Services
- ¶ Soldiers' and Sailors' Civil Relief Act

Environmental Quality Council

Groundwater Quality Management...The Environmental Quality Council will conduct its next meeting Friday, Nov. 3, in Room 104 of the Capitol. The principal discussion topic will be groundwater quality management. Agenda items include:

- ¶ a summary of state agency approaches to groundwater protection;
- ¶ a case study concerning how governmental agencies addressed a specific groundwater problem; and
- ¶ a report from the groundwater data task force on its initial efforts to determine groundwater data gaps.

Other agenda items tentatively include briefings on groundwater monitoring at existing landfills, implementation of House Bill 608 (the cyanide/small miner bill), the Board of Oil and Gas Conservation's programmatic EIS, and the consent decree addressing the Livingston/Burlington Northern site.

Water Policy Committee

Federal and Indian Reserved Water Rights...The Water Policy Committee's next meeting is scheduled for Thursday, Nov. 9, in the Montana State Library conference room. Agenda items include follow-up on the process for determining federal and Indian reserved water rights, and presentations concerning potentials for federal water development projects in Montana.



INTERIM CALENDAR

Oct. 2, Environmental Quality Council task force, Room 104, 8 a.m.

Oct. 4, Joint Select Committee on Workers' Compensation, Room 104, 10 a.m.

Oct. 9, Columbus Day, Holiday

Oct. 14, Committee on Oversight of School Funding

Implementation (HB 28), Room 108, and Committee on Accountability and Quality in Education (SB 16), Room 104.

Oct. 27, Revenue Oversight Committee, Room 104, 9 a.m.

Oct. 27, Committee on State Employees' Compensation, Governor's Reception Room, 10 a.m.

Nov. 3, Environmental Quality Council, Room 104.

Nov. 3 and 4, Legislative Finance Committee, Room 108.

Nov. 8, Centennial Ball, State Capitol

Nov. 9, Water Policy Committee, Montana State Library Conference Room.

Nov. 10, Holiday, observance of Veterans Day

Nov. 12-15, annual meeting, Western Legislative Conference, Council of State Governments, Monterey, California

Dec. 4, Coal Tax Oversight Subcommittee, Room 104, 9 a.m.

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